

Message Text

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15

ACTION NEA-12

INFO OCT-01 EUR-25 ISO-00 AGR-20 EB-11 COME-00 TRSE-00

OMB-01 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00

NSC-10 PA-03 RSC-01 PRS-01 SPC-03 SS-15 USIA-15

ACDA-19 IO-13 AID-20 STR-08 DRC-01 /202 W

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R 211650Z SEP 73

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 6909

INFO AMEMBASSY ISLAMABAD

AMEMBASSY KATHMANDU

AMEMBASSY LONDON

AMCONSUL BOMBAY

AMCONSUL CALCUTTA

AMCONSUL MADRAS

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PASS AGRICULTURE

E.O. 11652: N/A

TAGS: EAGR, IN

SUBJECT: WEEKLY FOODGRAIN SITUATION

REF: A) NEW DELHI 11007; B) NEW DELHI 10826

BEGIN SUMMARY - AS WAS EXPECTED, THE RULING CONGRESS PARTY AND THE STATE CHIEF MINISTERS DURING THEIR CONFERENCES IN THE CAPITAL LAST WEEK CONFIRMED THAT THE GOVERNMENT PLAN TO TAKE OVER THE WHOLESALE RICE TRADE WOULD NOT BE IMPLEMENTED ON SCHEDULE ON A NATIONAL BASIS.

PROCUREMENT TARGETS OF 5.0 MILLION TONS OF RICE AND 1.65 MILLION TONS OF COARSE GRAINS WERE ESTABLISHED FOR THE 1973-74 MARKETING YEAR. MINISTER AHMED ANNOUNCED SUPPORT PRICES FOR WHEAT OF RS. 80-85 PER QUINTAL FOR

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THE 1974-75 MARKETING YEAR. THE CURRENT FOODGRAIN

SITUATION REMAINS TIGHT. THE OVERALL PERFORMANCE OF THE MONSOON CONTINUES TO BE FAVORABLE. END SUMMARY.

1. DURING THE PAST WEEK, THE CONGRESS WORKING COMMITTEE, THE ALL INDIA CONGRESS COMMITTEE, AND THE STATE CHIEF MINISTERS HELD SEPARATE MEETINGS. THESE CONFERENCES DISCUSSED, IN VARIOUS DEGREES, THE PROCUREMENT AND PRICE POLICIES FOR THE 1973-74 FOODGRAIN CROPS. THE MOST IMPORTANT CONCLUSION EMERGING FROM THESE MEETINGS WAS THE CONFIRMATION THAT THE GOVERNMENT PLAN TO TAKE OVER THE WHOLESALE RICE TRADE WOULD NOT BE IMPLEMENTED ON SCHEDULE ON A NATIONAL BASIS. THE STATE CHIEF MINISTERS ESTABLISHED NATIONAL PROCUREMENT TARGETS OF 5.0 MILLION TONS OF RICE AND 1.65 MILLION TONS OF COARSE GRAINS FOR THE 1973-74 MARKETING YEAR. FOR FURTHER DETAILS OF THESE MEETINGS, SEE REFERENCE A.

2. ON SEPTEMBER 20, MINISTER AHMED ANNOUNCED SUPPORT PRICES FOR THE 1974-75 WHEAT MARKETING YEAR. THESE SUPPORT PRICES ARE RS. 80 AND RS. 85 PER QUINTAL, RESPECTIVELY, FOR THE INDIGENOUS RED AND MEXICAN VARIETIES. THE SUPPORT PRICES FOR THE 1973-74 MARKETING YEAR FOR THE ABOVE VARIETIES WERE RS. 71-74, AND RS. 76 PER QUINTAL RESPECTIVELY.

3. IN THIS WEEK'S CONFERENCE OF STATE CHIEF MINISTERS, MINISTER AHMED RESTATED THAT, AS IN PREVIOUS YEARS, WHEAT PROCUREMENT PRICES FOR THE 1974-75 MARKETING SEASON WILL BE ANNOUNCED JUST PRIOR TO THE BEGINNING OF THE HARVEST. THESE PRICES WILL TAKE INTO ACCOUNT BOTH CONDITIONS PREVAILING THEN, AS WELL AS THE RECOMMENDATIONS OF THE STATE CHIEF MINISTERS. MOST STATE CHIEF MINISTERS AT THEIR SEPTEMBER 17 CONFERENCE RECOMMENDED THAT PROCUREMENT PRICES FOR WHEAT BE SET BETWEEN RS. 95 TO RS. 100 PER QUINTAL. PROCUREMENT PRICES CAN BE EQUAL TO, BUT NOT LESS THAN, THE SUPPORT PRICES. KHARIF FOODGRAIN PROCUREMENT PRICES FOR 1973-74 HAVE NOT YET BEEN ESTABLISHED BUT ARE EXPECTED TO BE ANNOUNCED SHORTLY.

4. THE OVERALL FOODGRAIN SITUATION CONTINUES TO BE LIMITED OFFICIAL USE

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TIGHT. MAHARASTHRA'S SEPTEMBER QUOTA OF FOODGRAINS FROM THE CENTRAL GOVERNMENT HAS BEEN CUT TO APPROXIMATELY 160,000 TONS AS COMPARED TO THE PREVIOUS MONTH'S QUOTA OF 250,000 TONS. SIMILARLY, THE UNION TERRITORY OF DELHI HAD ITS QUOTA CUT TO 35,000 METRIC TONS IN SEPTEMBER, FROM 40,000 TONS IN AUGUST, AND 45,000 TONS IN EARLIER MONTHS. IN WEST BENGAL, CALCUTTA AND TWO IMPORTANT NEARBY INDUSTRIAL AREAS EXPERIENCED A THIRD

CUT IN THE LAST FOUR MONTHS OF THEIR FOODGRAIN RATIONS ISSUED THROUGH THE FAIR PRICE SHOPS. THIS HAS REDUCED THE CEREAL RATION QUANTITY TO ABOUT 7.5 OZ. PER CAPITA PER DAY--THE LOWEST SINCE LATE 1967 WHEN THE FOODGRAIN RATION WAS A LITTLE OVER 5 OZ. PER DAY.

5. FOOD AGITATIONS CONTINUED IN VARIOUS PARTS OF INDIA THROUGHOUT THE WEEK. THE MOST SIGNIFICANT DISTURBANCE OCCURRED IN THE SOUTHERN STATE MYSORE, WHERE THE ARMY WAS ALERTED FOR POSSIBLE USE. THE SITUATION IN THIS STATE SEEMS TO HAVE CALMED SINCE THE FIRST OF THIS WEEK.

6. MONSOON RAINS FOR THE WEEK ENDING SEPTEMBER 19 CONTINUED BELOW NORMAL IN MANY AREAS OF INDIA. HOWEVER, SINCE THE BEGINNING OF THE SEASON ON JUNE 1, CUMULATIVE RAINFALL HAS BEEN NORMAL OR ABOVE NORMAL IN 32 OF THE 35 WEATHER ZONES IN INDIA. NO SIGNIFICANT FLOODING WAS REPORTED DURING THE PAST WEEK.
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Message Attributes

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